CHAPTER – I

INTRODUCTION

1.1 Introduction

Decision making is the process of concluding or making a judgement about some issue or matter making a choice between two or more alternatives or part of the transformation process of inputs to outputs. A family or household is considered to be the basic decision making unit as regards purchases. A household comprises of individuals living singly or together with others in a residential unit and a family is two or more people living together who are related by blood or marriage. A family is therefore a category of a household.

In the study of consumer buying behaviour the family is considered a crucial decision making unit as the interaction and influence between family members are likely to be greater and more significant than those within the other smaller groups, such as friends or colleagues. According to Cart Wright, “Influence has been defined as something that is inferred when one person acts in such a way as to change the behaviour of another in some intended manner”. Thus influence involves actions by family members that make a difference during the decision making process. The decision making process follows a number of stages:

- Problem recognition
- Search for information
- Evaluation of alternatives
- Final choice

The decision to purchase a commodity or service by family or household depends on the various roles played by a household member in the purchase, consumption and influence of
products. The stages in the decision making process are usually linked to the decision making roles.

These roles are:

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
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<tbody>
<tr>
<td>Initiator</td>
<td>Family member(s) who recognizes the problem or need for an item.</td>
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<tr>
<td>Influencers</td>
<td>Family member(s) who provide information to other member about a product or service.</td>
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<tr>
<td>Gate keepers</td>
<td>Family member(s) who control the flow of information about a product or service into the family.</td>
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<tr>
<td>Deciders</td>
<td>Family member(s) with the power to determine unilaterally or jointly whether to shop for, purchase, use consume, or dispose of a specific product or service.</td>
</tr>
<tr>
<td>Buyers</td>
<td>Family member(s) who make the actual purchase of a particular product or service.</td>
</tr>
<tr>
<td>Preparers</td>
<td>Family member(s) who transform the product into a form suitable for consumption by other family members.</td>
</tr>
<tr>
<td>Users</td>
<td>Family member(s) who use or consume a particular product or service.</td>
</tr>
<tr>
<td>Maintainers</td>
<td>Family member(s) who service or repair the product so that it will provide continued satisfaction.</td>
</tr>
<tr>
<td>Disposers</td>
<td>Family member(s) who initiate or carry out the disposal or discontinuation of a particular product or service.</td>
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The number and identity of the family members who perform these roles vary from family to family and from product to product. In some cases, a single family member will independently assume a number of roles; in other cases, a single role will be performed jointly by two or more family members. In certain other cases, one or more of these basic roles may not be required.
However, in general, people might play five roles in a buying decision as initiator, influencer, decider, buyer and user. Traditionally household decision making or family decision making has been categorized as *husband dominant, wife dominant or joint and autonomous* (either husband or wife is equally likely to make an individual decision). Until recently, most studies have ignored the influence of children. Today children exert a substantial influence on household buying decisions. Thus we need to recognize the new category of household decision making that is ‘*child dominant*’.

### 1.2 The Problem

Little is known about children’s involvement in the buying decision making processes in household sector. Studies of family and domestic consumption have tended to neglect the role played by children but today children are emerging as the most powerful influencers in household buying decisions. Gone are the days when a child was thought to be adjunct of parents, an amorphous piece of clay, but in present times a child might be identified as a protagonist in the buying decision making process in this changed environment. He/She is so choosy, at times raises tantrums, being attracted by new concepts, refuses to be taken for granted and executes a greater degree of freedom in choosing the products for himself/herself. The changing socio-economic, political and economic orders have transformed the child into a sophisticated consumer. They can dominate household buying and can influence their parents’ purchase of all kinds from cars to toys to groceries as well as determine their households’ television and entertainment choices. Thus children’s impact on household spending adds up to billions of dollars every year.

Today’s kids have more autonomy and decision making power which is an indication that if adults are living in a consumerist society, the juniors are not far behind from pester power to direct consumption. “Pester Power” refers to children’s ability to nag their parents into purchasing an item they may not otherwise buy. The teens and pre-teens segment is driving consumption and forcing
product lines and service offerings. Marketers are targeting the consumers by using children not only in case of a product meant for them but also for the product used or purchased in the household sector. The amount of influence exerted by children differs in product category and stage of decision making process. For some products they are active initiators, information seekers and buyers, but for other products they influence purchases made by their parents. Parents find themselves under pressure from “Pester Power” as they face growing demand from their children. Table 1.2 enumerates some of the tactics used by children to influence their parents.

**Table 1.2**

Tactics Used by Children to Influence Their Parents

<table>
<thead>
<tr>
<th>Pressure Tactics</th>
<th>The child makes demands, uses, and threats or intimidates to persuade parents to comply with his/her request.</th>
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<tbody>
<tr>
<td>Upward Appeal</td>
<td>The child seeks to persuade parents, saying that the request was approved or supported by an older member of the family, a teacher or even a family friend.</td>
</tr>
<tr>
<td>Exchange Tactics</td>
<td>The child makes an explicit or implicit promise to give some sort of service such as washing the car, cleaning the house or taking care of the baby, in return for a favour.</td>
</tr>
<tr>
<td>Coalition Tactics</td>
<td>The child seeks the aid of others to persuade parents to comply with his/her request or uses the support of others as an agreement to agree with him/her.</td>
</tr>
<tr>
<td>Ingratiating Tactics</td>
<td>The child seeks to get parents in a good mood or think favourably of him or her before asking them to comply with a request.</td>
</tr>
<tr>
<td>Rational Persuasion</td>
<td>The child uses logical arguments and factual evidence to persuade parents to agree with his/her request.</td>
</tr>
<tr>
<td>Inspirational Appeals</td>
<td>The child makes an emotional appeal or proposal that arouses enthusiasm by appealing to parental values and ideals.</td>
</tr>
<tr>
<td>Consultation Tactics</td>
<td>The child seeks parent’s involvement in making a decision.</td>
</tr>
</tbody>
</table>

Children have acquired dominating influence in purchase decision making. They have become powerful influencers as customers on various product categories even on such products, which they don’t use directly. Though the degree of influence varies from product to product, but certainly their influence is seen on household buying decisions. This shift in influence has occurred as a result of changes in a family’s structure and environment in which children are brought up these days. The major changes in a family’s structure are:

- More women working.
- More dual income households.
- More divorces and remarriages.
- More single parent households.
- Grand parents raising children.
- Postponing children until later in life.
- Kids more exposed to information through technology and mass media.

Therefore, parent today are willing to buy more for their kids because they have:

- More disposable income.
- Lesser time with family.
- More stress in life.
- Guilt for not spending enough time with their children.

So parents today substitute material goods for the time spent with their children. Hence, children have a higher say in household buying decisions.

Young Indians are the cash cows of the Indian Corporate who like to roll around in their mouth, savor and smack their lips over. They are so important that channels like MTV belt out their favourite shows at hours convenient to this segment, multiplexes shy away from screening
 blockbusters during exam time, consumer giants like unilever draw upon kid power to position a detergent as “dirt is good” or “daag acche hain”.

Today’s children are overloaded with information and entertainment options. Media, Internet and Television advertising have a strong impact on children. Children may not pay attention to a programme but will necessarily pay attention to the advertisements, as advertising for a child is largely colourful, vital, alive and fascinating. The 30 second advertisement spot on television adheres completely to the child’s short attention span and therefore marketers are featuring children and children movement in their campaign. LG golden eye television, mobile phone connections (Vodafone, Reliance, Airtel etc.), Godrej washing machines, Nerolac colours, Money investment plans like mutual funds and even advertisement of banks like Allahabad Bank, State Bank of India, Kotak Mahindra Bank are some of the examples in which children are the main features of the advertisement.

1.2.1 Tools Used to Target Kids

Marketers use some strategies to target children:

(a) Building Brand Name Loyalty

In her book No Logo, Naomi Klein says that the mid-1980’s saw the birth of a new kind of corporation - Nike, Calvin Klein, Tommy Hilfigher, to name a few - which changed their primary corporate focus from producing products to creat an image for their brand name.

Marketers plant the seeds of brand recognition in very young children, with the hope that the seeds will grow into life time relationships. According to the centre for a New American Dream, babies as young as six months of age can form mental images of corporate logos and mascots. Brand loyalties can be established as early as age two, and by the time children head off to school, most can recognize hundreds of brand logos.
(b) **Buzz or Street Marketing**

Many companies are using “buzz marketing” a new twist on the tried-and-true “word of mouth” method. The idea is to find the coolest kids in a community and have them use or wear your product in order to create a buzz around it. Buzz, or “Street Marketing” can help a company to successfully connect with the savvy and elusive teen market by using trendsetters to give their products’ “cool” status.

(c) **Commercialization in Education**

A school used to be a place where children were protected from the advertising and consumer messages that premeated their world but not any more. Corporations realize the power of the school environment for promoting their names and products. A school setting delivers a captive youth audience and implies the endorsement of teachers and educational system. Marketers are eagerly exploiting this medium in a number of ways, including:

- Supplying schools with technology in exchange for high company visibility.
- Exclusive deals with fast food or soft drink companies to offer their products in a school.
- Advertising posted in class rooms, school buses, on computer etc. in exchange for funds.
- Sponsoring school events.

(d) **The Internet**

The internet is an extremely desirable medium for marketers to target children:

- Its part of youth culture. This generation of young people is growing up with the internet as a daily and routine part of their lives.
- Parents generally do not understand the extent to which children are being marketed to online.
- Kids are often online alone, without parental supervision.
• Sophisticated technologies make it easy to collect information from young people for marketing research and to target individual children with personalized advertising.

• By creating, engaging, interactive environments based on product and brand names companies can build brand loyalties at an early age.

Kids represent important demographics to marketers because they have their own purchasing power, exercise greater influence over family purchase decisions and they are the adult consumers of the future.

1.2.2 Three Markets in One

Children constitute the most lucrative market for many businesses because they represent three markets in one.

• Children are a current market because they have their own money to spend. They are viewed as having needs, having money to spend on items that satisfy their needs and having a willingness to spend money. Not only producers of soft drinks, toys, cereals etc. treat them as a current market but outlets such as video game parlours and movie houses also treat children as a ready market.

• Children also constitute a market of influencers that cause billions of dollars of purchase among their parents. Marketers advertise the product to children on television which directly or indirectly encourage them to persuade their parents to buy those products.

• Children are a future market for most goods and services. Manufacturers and retailers respond to them as future consumers to be cultivated now. Manufacturers of branded products (Nike, Adidas, Reebok etc.) try to attract the children because they know that today’s child is consumer of tomorrow.
1.2.3 Consumer Socialization of Children

Consumer socialization is the process by which children acquire skills, knowledge and attitudes relevant to their functioning in the market place. Children learn about purchasing and consumption primarily from their parents. While television may have a persuasive influence on what children see and how they react to certain brands, the family is an instrument in teaching young people rational aspects of consumption, including basic consumers needs. The parents always try to teach their children to be more effective consumers.

- Parents teach price-quality relations to their children, including experience with the use of money and ways to shop for quality products.
- Parents teach their children how to be effective comparison shoppers and how to buy products on sale.
- Parents influence children’s brand preferences.
- Parents have influenced children’s ability to distinguish fact from exaggeration in advertising.

Children watch and imitate parental behaviour because parents serve as role models. Parents also co-shop with the children because they seek to expose children to the experiences associated with visiting stores and use these occasions to teach children consumer skills. Children are also socialized through direct experience. The increase in dual earning and single parent households has resulted in children often shopping on their own. As a result, the process of consumer socialization is occurring much earlier and much faster than it used to.

Television and increasing commercialization of education in schools are also important sources of socialization. Greater the children’s exposure to television, greater the likelihood that they will accept the images and associations seen. In addition to this younger children may emulate older
children’s behaviour and, in doing so, develop consumption skills. The child’s peer group can also affect consumer socialization by influencing brand preferences and purchases.

So, on the whole, the role of children in the household structure is undergoing a change. Today children are very fast and bright and they keep themselves abreast of changes in their environment. They are still the centre of the universe in the Indian family system and can actually pull the parents to visit a place time and again. Children are an enormously powerful medium for relationship building in India. They not only influence markets in terms of the parental decision making to buy certain kind of products, they are also future consumers.

1.3 Framework of the Study

A number of studies have been undertaken regarding the buying decisions in household sector. But majority of these studies were regarding family influences on purchase decisions, the role that children play in making decisions concerning the household unit has prompted researcher to direct attention to the study of influence of children. Although research studies regarding the children as consumers and decision makers has been found in other fields, but a comparative research study regarding role of children in a backward city and an advanced city has not been taken earlier. There are quite a significant research gaps. No doubt, children are playing an important role in household buying decisions, but there are significant differences among the children of a less developed city and a developed city. In the light of these important facts, a comparative study of two cities regarding the role of children gains significant proportion.
1.4 Profile of Area Under Study

Punjab state which was once known as the ‘land of five rivers’ is today one of the most affluent states in India. Although, it is that part of India that suffered the most destruction and damage during partition, the turnaround has been successful by the sheer hard working Punjabis. Before partition, Punjab extended across both sides of Indo-Pak border. The 1966 split again reduced its size due to linguistic reasons. The capital of Punjab is situated at Chandigarh. Punjab is divided into three regions - the Majha, Malwa and Doaba and is predominantly an agricultural state. The prosperity, rich culture and folk lore have made it a neighbours’ envy and owner’s pride. Today’s Punjab state has 17 main cities. For our study two cities - Bathinda and Ludhiana have been selected.

1.4.1 Bathinda

Bathinda district is situated in the southern part of Punjab state in the heart of Malwa region. This district is surrounded by Sirsa and Fatehabad of Haryana state in the south, Sangrur and Mansa district in the east, Moga in the north - east and Faridkot and Muktsar in the north - west. It is situated between 29°-33 and 30°-36 north latitude and 74°-38 and 75°-46 east longitude. It is constituted of areas of erstwhile princely state of Patiala which was known as one of the Phulkian states. It forms part of Faridkot division. Bathinda was created a PEPSU district in 1948 and became district of Punjab on 1st November 1956 after the merger of PEPSU in Punjab. The district derives its name from the district headquarters town of Bathinda, which is of great antiquity. According to khalifa Muhammad Hassan, author of history of Patiala, its ancient name was Bikramgarh. According to Ibn Batuta it was known as Batrind. Bathinda was built by Bhatti Rao. It was also called Whatinda and Bitunda which finally came to be known as Bhatinda. But its name was changed to Bathinda on the authority of survey of India to conform to the phonetical expression, as locally pronounced.
Bathinda city has a historical fort ‘Qila Mubarak’, two Thermal Plants, National Fertilizer Ltd., Oil Refinery (under construction), the largest Military Cantonment in Asia and a leading Railway Junction. It is also one of the six Municipal Corporations of Punjab.

1.4.2 Ludhiana

Ludhiana is the most centrally located district which also falls in the Malwa region of the state of Punjab. It lies between north latitude 30°-34 and 31°-01 and east longitude 75°-18 and 76°-20. It is bounded on the north by river Sutlej which separates it from Jalandhar district. The river also forms its northern boundary with Hoshiarpur district. On other sides it shares common boundaries with Rupnagar district in the east, Moga district in the west, and Sangrur and Patiala districts in the south and south-east respectively.

Ludhiana city was founded in the time of Lodhi dynasty which ruled Delhi from 1451-1526 A.D. The legend goes that two Lodhi Chiefs Yusaf khan and Nihand khan were deputed by Sikandar Lodhi to restore order in this region. They camped at the site of present city of Ludhiana which was then a village called Mir Hota. Yusaf Khan went across the river Sutlej in Jalandhar Doab to check Khokhars who were plundering the Doab and made a settlement at Sultanpur while Nihand Khan stayed back and founded the present city at the site of village Mir hota. The new town was originally known as Lodhi-ana, which means the town of Lodhi’s. The name later changed to the present name Ludhiana.

Ludhiana is well known for its industries. The main famous industries are cycle industry, cycle spare industry, woolen and hosiery industry etc. Punjab Agriculture University (PAU) widely acclaimed as the best agricultural university in Asia is also situated at Ludhiana.
1.4.3 Selection of Cities

The Punjab state has seventeen main cities. The question arises about the reasons why Bathinda and Ludhiana cities were selected. The answer lies in the table 1.3 below which shows some selected urban indicators which helped in the selection of Bathinda and Ludhiana cities for our study.

Table 1.3
Selected Urban Indicators
(Census 2001)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Indicators</th>
<th>Bathinda</th>
<th>Punjab</th>
<th>Ludhiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Population (%age)</td>
<td>29.73</td>
<td>33.92</td>
<td>55.84</td>
</tr>
<tr>
<td>2.</td>
<td>Literacy (%age)</td>
<td>75.4</td>
<td>79.1</td>
<td>79.5</td>
</tr>
<tr>
<td>3.</td>
<td>Sex ratio (Female per 1000 males)</td>
<td>864</td>
<td>849</td>
<td>783</td>
</tr>
<tr>
<td>4.</td>
<td>Population density (Per sq. km)</td>
<td>350</td>
<td>484</td>
<td>805</td>
</tr>
<tr>
<td>5.</td>
<td>SC population (Percentage to total population)</td>
<td>23.53</td>
<td>20.70</td>
<td>15.8</td>
</tr>
</tbody>
</table>


The above table 1.3 shows certain selected urban indicators which were made the criteria for choosing the cities for this study. In order to have a good comparative study the figures of these urban indicators were used as base for the selection of cities. The choice of Bathinda and Ludhiana cities show that one city has been chosen which is below Punjab’s figure and the other city have figures above Punjab’s figure. The percentage and absolute figures of Ludhiana city are higher than that of Punjab state in terms of population, literacy and population density whereas in the sex ratio and SC population its share is lowers. Similarly Bathinda city shows figures other way round. Bathinda city is also educationally backward as compared to Ludhiana because Ludhiana has two
medical colleges, 31 arts, science and commerce colleges, 206 senior secondary school, 222 high schools, 201 middle schools whereas Bathinda has only one medical college, 10 arts, science and commerce colleges, 86 senior secondary schools, 128 high schools and 596 elementary schools. So the selection of Bathinda and Ludhiana cities has been done by using these urban indicators and their educational infrastructure.

1.5 Scope of the Study

The scope of present study is limited to children under the age of 14 years because children constitute a significant segment of household buying in these days and merit attention from marketing perspective. The role that children play in making decisions concerning the entire household purchases has prompted researchers to direct attention to study the influences of children.

There may be 120 million teens in India, the 45 million teens in urban centres are the primary target for most marketers. The market for children products offers tremendous potential (Pegged at Rs. 5000 crore) and is rapidly growing. According to the available data from the industry, the chocolate and confectionary market is estimated at Rs. 1300 crore, the apparel market at Rs. 480 crore and kids footwear at Rs. 1000 crore (Bhushan, 2002). As influencers, children were found to affect purchases of a personal computer, audio system and television. Children have not been observed to have a large impact on instrumental decisions on how much to spend (Kaur 2003, Singh and Kaur 2004, Verma 1982) but rather play a role while making expressive decisions such as colour, model, brand, shape and purchase. So the present study incorporates the goals and the role of children in decision making process keeping in view their potential which can be judiciously tapped.
1.6 Objectives of the Study

The present study has been based on the following objectives:

1. To study the role of children in household buying.
2. To analyze the changing behaviour of household buyings.
3. To analyze the changing pattern of market in the children’s segment.
4. To identify the shift in household buying structure.

1.7 Hypothesis of the Study

The present study has the following hypothesis:

1. Whether the children play different buying roles in household sector by influencing their parents directly or indirectly?
2. Whether the market has grown into a direct market of the products meant for the children over the past few years?
3. Whether there is a change in the behaviour of children with the passage of time?
4. Whether the children of small cities are having significant differences in their household buying as compared to the children of big cities?
5. Whether the media plays an important role in instigating the children to buy the products?
6. Whether the parents’ child-centredness force them to accept the goods chosen by their children in household sector?

1.8 Research Methodology

The research methodology includes the procedures, techniques and practices adopted to lay foundation, built data base and to furnish with processed information for analysis to accomplish the
research objectives. While following the research procedure to study the influences and practices of buying decision making in household sector, the objectives of the study were clearly taken into account and study was followed strictly on those lines. Infact, the objectives acted as a format which was filled with the help of this research methodology. The research methodology applied in this research study is as follows:

1.8.1 Area of Study

The present study is restricted to the area of Punjab only. The state of Punjab has 17 main cities. Out of these two cities of Punjab viz; Bathinda and Ludhiana have been taken. It is a comparative study of Bathinda and Ludhiana, where as Bathinda being the backward and Ludhiana as being the developed city form the basis for the comparison of the study.

1.8.2 Concern of the Study

The present study has concern and draw logical analysis and inferences of the children under the age of 14 years.

1.8.3 Research Design

The study being undertaken is descriptive and exploratory in nature. Exploratory personal investigations involving original field interviews with the household members helped to have a greater insight into all possible practical aspects of the research problem. Pilot surveys of the initial ideas helped to refine the final statements of the scale. The study of the relevant literature has been quite useful in the formulation of the research problem. The changing role of children in household buying decisions has brought a new change in the market place. Descriptive research attempts to describe in detail the relationship between various aspects of a research problem. The major purpose of descriptive research is description of the state of affairs as it exists at present. So the adoption of descriptive research design has also been very effective in the present study.
1.8.4 Sampling Design

All items in any field of inquiry constitute a universe. A sample design is a definite plan for obtaining a sample from a given universe. The following sample design has been used in the research study.

1.8.4.1 Sample Technique

In the present study, the most prevalent convenience sampling technique has been adopted. A convenience sampling is one which is arbitrarily selected where there is good evidence that it is very representative of the total population or it is known that it will produce well matched responses.

1.8.4.2 Sample Unit

While collecting the data one household has been considered as a sample unit.

1.8.4.3 Sample Size

The sample size was so selected that it could be adequate enough to represent the whole population, and also help in meaningful comparison between the children of two cities of Punjab—Bathinda and Ludhiana. The sample size has been restricted to 500 households (i.e. 1000 respondents). The randomly selected 250 households from each city include two respondents: a parent (either mother or father) and a child under the age of 14 years from each household.

1.8.5 Data Collection

The success of research study depends to a great extent, upon the method of data collection. If poor data is collected naturally poor conclusions would be drawn. So, while collecting the data every care has been taken to maintain its objectivity and accuracy. In this study, both primary data and secondary data sources are used for data collection, but the overall dominance remains of the primary data.
1.8.5.1 Primary Data

Data originally collected for an investigation is known as primary data. Such data is original in nature. Questionnaire method is the most important and popular method of collecting primary data. The primary data collected for this research study has been collected through the structured questionnaires. A structured questionnaire is one where questions and answers are specified. Separate set of questionnaires were prepared for both parents and children. While drafting the questionnaire a covering letter was attached, which had information regarding answering, instructing and filling the questionnaires. All the questions were arranged logically and ambiguous questions were avoided.

(a) Instrument of Data Collection

Once the type and size of the sample has been determined, the next task is to select the various tools to be used to collect data from the identified universe. The responses were measured on five point scale. The method is based on Likert Scaling Technique. Scaling describes the procedure of assigning numbers to various degrees of opinion, attitude and other concepts. This can be done in two ways i.e.,

(i) Making a judgement about some characteristics of some individual and then placing him directly on the scale.

(ii) Constructing questionnaire in such a way that the score of the individual responses assign him a place on the scale.

The likert technique consists of a series of statement to which one responds using a scale of possible answers. Strongly agree (5), agree (4), indifferent (3), disagree (2), strongly disagree (1), and the score can be vice-versa also. In Likert’s five point scale, the respondent is asked to respond to each of the statement given, in terms of five degrees of agreement or disagreement as below:
Each point on the scale carries a score, i.e. from least score to the highest score. Most of the factors were psychological i.e., relating to attitude, behaviour, general family environment etc. which cannot be measured quantitatively, so the need of Likert scale has been tremendous.

(b) **Item Generation**

At the initial stage, it was quite essential to identify those various factors which affect the household buying decision process. For this purpose, the existing relevant literature was explored to get help in the formation of various relevant statements.

(i) The statements were made on the basis of existing household structure and their buying decision-making process.

(ii) A deep study of the literature on buying decision-making process and researches was made. International and prominent journals were also screened for the formation of relevant statements.

(iii) Informal interviews with a good number of marketing professionals and household members were also held.

(c) **Selection of the Statements**

The choice of the statements depends upon the opinion of the competent persons for its suitability towards the study and the tests. A set of statements has been developed and evaluated by the sample respondents on the Likert scale. This also helped in determining the content validity. More than 100 selected statement items were given to the panel of judges, experts in the field of marketing so that the redundant statements can be struck off, ambiguous items or statements can be deleted and to collect suggestions and modifications in these statements.
(d) **Preparation of the Scale**

In preparation of the scale, Likert summated rating technique was used. Each statement carried five alternative responses, strongly agree, agree, indifferent, disagree and strongly disagree. The scale thus prepared was administered on 500 households i.e. 1000 respondents which includes 500 parents and 500 children. The respondents were asked to give their choice on Likert scale on their own. The data thus obtained were statistically treated giving a weightage of 5, 4, 3, 2, and 1 for the positive items. The weightage were reversed for negative items, i.e., 1, 2, 3, 4, 5. Then the score of each individual was summed up to calculate the response of the items.

The primary data has been collected through the structured questionnaires. Separate sets of questionnaires were prepared for parents and children, which were filled by direct communication with the respondents. Preliminary draft of each questionnaire was pre-tested on 50 respondents from each category, in Bathinda and Ludhiana, which helped in improving upon the questionnaires and then final questionnaires were framed which have been appended.

Data has been collected from the respondents through personal interaction and the responses were recorded under the same conditions. The interaction with the respondents was made during the period December 2008 to September 2009, in spite of a big universe and a large sample size the tedious work of collection of data has been completed successfully.

**1.8.5.2 Secondary Data**

The primary data collected for this study has been supplemented with secondary data. This data has been obtained from various marketing journals, books, earlier related studies, census reports, statistical abstracts of Punjab, press releases, newspapers and periodicals. The relevant internet sites were also explored to get the necessary information for the study. This secondary data has been used along with the primary data so as to make our study more viable.
1.8.6 Processing and Presentation of Data

The data after collection has to be processed and presented in accordance with the requirement and purpose at the time of the development of the scale. This is essential for such a scientific study and for ensuring that we have all relevant data for making useful comparisons and analysis. An attempt was made to organize and summarize data carefully in order to increase its validity in such a way that enables to relate critical points with the study objectives in simple and effective manner. Firstly, the data was edited, coded and then classified. In order to make the collected data self explanatory, interesting and more clear, it has been presented in the form of tables, diagrams and charts. The diagrams used include bar diagrams and pie diagrams. To simplify the classified data percentages have been computed in order to have a meaningful comparison of Bathinda and Ludhiana cities.

As separate set of questionnaires were prepared for both parents and children, all the items were divided into four factor combinations according to the research objectives of the study so as to apply statistical tools in order to prove the hypothesis. The items were constructed and divided keeping in mind various research objectives of the study in mind.

The items were given the name for parent respondents Fa\textsubscript{1}, Fa\textsubscript{2}, ..., Fa\textsubscript{13} and for child respondents Fb\textsubscript{1}, Fb\textsubscript{2}, ..., Fb\textsubscript{15}. The items were divided into following four groups:

- **Group I**: Fa\textsubscript{1}, Fa\textsubscript{2}, Fa\textsubscript{5}, Fa\textsubscript{12} and Fb\textsubscript{1}, Fb\textsubscript{2}, Fb\textsubscript{4}, Fb\textsubscript{10}
- **Group II**: Fa\textsubscript{3}, Fa\textsubscript{4}, Fa\textsubscript{6} and Fb\textsubscript{8}, Fb\textsubscript{11}
- **Group III**: Fa\textsubscript{7}, Fa\textsubscript{8}, Fa\textsubscript{13} and Fb\textsubscript{7}, Fb\textsubscript{9}, Fb\textsubscript{12}, Fb\textsubscript{13}
- **Group IV**: Fa\textsubscript{9}, Fa\textsubscript{10}, Fa\textsubscript{11} and Fb\textsubscript{3}, Fb\textsubscript{5}, Fb\textsubscript{6}

These groups have been formed in accordance to the research objectives of the study as group I factor-combinations relate to the first objective, group II to the second objective and so on.
1.8.7 Data Analysis and Interpretation

After collecting and grouping the data, the data were then analyzed by applying various statistical techniques to arrive at a meaningful conclusion. The statistical measures which have been used in the study are as follows:

1.8.7.1 Weighted Average Score

Weighted average score has been used to study the respondents’ opinion expressed on a five point scale as per their level of satisfaction. Weighted average score method is used where relative importance of different items is not the same. Weights assigned to responses are -2, -1, 0, 1 and 2 respectively to strongly disagree, disagree, indifferent, agree and strongly agree.

The following formula has been used:

\[
\bar{W} = \frac{1}{\sum FW} \sum WFW
\]

Where

\( \bar{W} \) = Weighted average score
\( W \) = Weights assigned to a particular attribute
\( FW \) = number of respondents who attached weight \( W \) to an attribute.

1.8.7.2 Co-efficient of Variation

The co-efficient of variation (CV) has been calculated to see the variability in the scores of various items, according to various groups and sub-groups. Higher the CV, higher is the variation or dispersion in the series. Co-efficient of variation is denoted by CV and is obtained as follows:

\[
C.V. = \frac{\sigma}{X} \times 100
\]

Where

\( \sigma \) = standard deviation
\( \bar{X} = \text{Arithmetic mean or average} \)

**1.8.7.3 Co-efficient of Contingency**

Co-efficient of contingency is also calculated to determine the degree of association between two or more than two attributes.

The formula is:

\[
C = \sqrt{\frac{\chi^2}{N + \chi^2}}
\]

Where

- \( C = \text{co-efficient of contingency} \)
- \( \chi^2 = \text{Chi-square value} \)
- \( N = \text{Total number of respondents} \)

**1.8.7.4 Tests of Significance**

For checking the significant fluctuation in sample the following tests of significance have been applied.

a) **Chi–Square Test**

Chi-square test has been applied to study the independence (or dependence) with regard to various qualitative aspects highlighted by the respondents in the questionnaire. It has been worked out as follow:

\[
\text{Chi-square value} = \sum \frac{O - E}{E}^2
\]

Where

- \( O = \text{observed frequencies} \)
- \( E = \text{expected frequencies} \)
For testing the significance five percent as well as one percent level of significance has been used.

b) t-test

Student’s t-test is applied on a random sample to test the significant difference in the means of two groups or sub-groups.

The test is

\[
t-test = \frac{\text{difference in means}}{\text{S.E.}}
\]

Where

S.E. = Standard Error

S.E. of difference between means = \[ \sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}} \]

\( \sigma_1 \) and \( \sigma_2 \) represents standard deviation of two samples

\( n_1 \) and \( n_2 \) represents number of respondents

1.8.7.5 Analysis of Variance

Analysis of variance frequently referred to by the contraction ANOVA is specially designed to test whether the means of more than two quantitative populations are equal. Its purpose is to test the significance of differences among sample means.

Ratio F is calculated as follows:

\[
F = \frac{\text{Variance between samples}}{\text{Variance within samples}}
\]

Symbolically,

\[
F = \frac{S_1^2}{S_2^2}
\]
F – distribution measures the ratio of the variance between groups to the variance within groups. The variance between the sample means the numerator and the variance within the sample means the denominator.

For testing the significance 5% level as well as 1% level of significance is used.

### 1.9 Significance of the Study

The present study is quite significant for the marketers, parents and children. The significance of the study is as follows:

1. The study will help the companies to introduce new products in the child segment for its rapid growth.
2. The study will help the parents to encourage their children in making buying decisions in household sector.
3. The study will help the children to make the buying decisions consciously.
4. The study will enable the marketers not only to fully comprehend the present marketing trends but also the trends that are likely to be developed in the near future.
5. The study will be helpful in analyzing the differences in buying behaviour of children of backward and developed cities for framing suitable marketing strategies.

### 1.10 Organization of the Study

The present study is divided into seven chapters, each distinctively highlighting various points having a bearing on different aspects of the study. The chapter scheme consists of the following chapters.
Chapter-I: INTRODUCTION

The introductory first chapter outlines the general introduction, scope of the problem, objectives, hypothesis, research methodology, significance of study, limitations of the study and organization of the study.

Chapter-II: REVIEW OF LITERATURE

The second chapter studies the review of important researches as well as general studies regarding children’s influence on household buying decisions, which will have strong impact on this study and would act as a solid base and strong point of present research study.

Chapter-III: THEORETICAL FRAMEWORK OF THE STUDY

The third chapter is concerned with the theoretical frame work of the research study, which deals with the nature of demographics and their application to marketing strategy. The demographic factors like age, occupation, gender, lady of the household (working or non-working), number of children, monthly family income and education of parent respondents and age, gender, class and monthly pocket money of child respondents have been discussed to see their effect on buying decisions.

Chapter-IV: ROLE OF CHILDREN AND GROWTH OF THE MARKET

The fourth chapter highlights the role of children in household buying decisions and also studies the growth of market with the changing aspirations of the children and parents.

Chapter-V: MEDIA, CHILDREN AND MARKET

The fifth chapter traces out the influence of media on children and market by highlighting the influence of information network on children to buy the products and to help their parents to initiate the child while making buying decisions.
**Chapter-VI: REDEFINING THE BUYING ROLES IN HOUSEHOLD SECTOR**

The sixth chapter investigates and identifies the shift in the roles of buying decisions in the household sector. It also considers the purchasing implications for changes in household composition over times.

**Chapter-VII: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The seventh chapter presents the summary, findings and conclusions of the study and also put forth the recommendations based on the whole analysis.

**BIBLIOGRAPHY**

**ANNEXURE – I**

**ANNEXURE – II**

**ANNEXURE – III**

**1.11 Limitations of the Study**

Although the study has been conducted with immense responsibility, proper planning has been done to analyze all aspects, precautions have also been taken to evolve a systematic study, data were collected through personal interaction, statements of the scale were well explained and responses have been recorded properly but due to the small sample size as compared to the universe, bias or resistance in the respondents’ responses due to some personal reasons, lack of published / unpublished direct literature on the study, time constraints and frequent changes in the field could be some limitations. Secondly, the study has been conducted in two cities of Punjab - Bathinda and Ludhiana, hence the study is valid to those areas only, where the present conditions of the cities under study are in existence. Thirdly, as children under the age of 14 years are also considered as a
sample unit, there are chances that they may not be capable of understanding and answering the questions properly.

Although the study has been done with limitations, it is definitely a pointer towards certain marketing trends which could be used as a basis for more extensive research efforts of a similar nature.